

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS
ALEXANDROVICH TO INTERROGATORY OF DIRECT MARKETING
ASSOCIATION, INC. REDIRECTED FROM WITNESS O'HARA
(DMA/USPS-T30-5(e))

The United States Postal Service hereby provides the response of witness Alexandrovich to the following interrogatory of Direct Marketing Association, Inc.: DMA/USPS-T30-5(e), filed on July 29, 1997, and redirected from witness O'Hara.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

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August 12, 1997

Response of United States Postal Service Witness Alexandrovich
to
Interrogatories of DMA
(Redirected from Witness O'Hara, USPS-T30)

DMA/USPS-T30-5. Assuming that the information identified in response to DMA interrogatory DMA/USPS-T30-4(d) indicates that at least some Standard (A) Regular and ECR mail is not delivered in accordance with service standards,

- e. Please elaborate upon the Postal Service's "Compliance Statement" (Attachment G to its Request in this case) by providing the specific references to the testimony of the USPS witnesses Alexandrovich, Patelunas, Degen, and Bradley, wherein they address the cost consequences of peaking patterns. See Compliance Statement, Rule 54(h)(4),(12), para. numbered 1.

Response to DMA/USPS-T30-5(e)

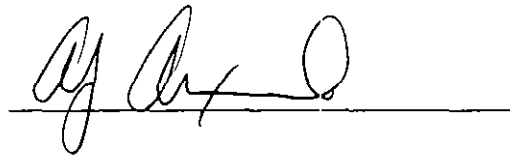
In the Base Year, the cost consequences of peaking patterns are addressed through the premium pay calculations found at USPS-T5 Workpaper A-1, pages 123 - 126.1, USPS-T5 Workpaper A-2, pages 1 - 4.1, and USPS-T5 Workpaper B, Cost Segment 3, Worksheet 3.0.13.

Witness Patelunas' testimony reflects the cost consequences of peaking patterns in the interim and test years by using the base year costs as inputs to the roll forward model.

Witnesses Degen and Bradley do not specifically reference peaking patterns in their respective testimonies. However, their work in developing MODS-based volume variable costs affects the magnitude and distribution of costs associated with peak load.

DECLARATION

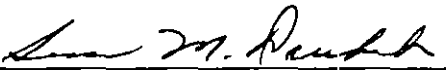
I, Joe Alexandrovich, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Joe Alexandrovich", is written over a horizontal line.

Dated: 8/12/97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Susan M. Duchek

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